

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF HIGHLAND TELEPHONE	)	CASE NO.
COOPERATIVE, INC. FOR AN ADJUSTMENT	)	2010-00227
OF RATES	)	

O R D E R

On September 10, 2010, Highland Telephone Cooperative, Inc. ("Highland") tendered for filing a completed application for rate adjustment based on a historical test period. The application proposed that the new rates become effective on October 26, 2010. Based on a review of the application, the Commission found that an investigation would be necessary to determine the reasonableness of the proposed rates. The Commission also found that an investigation could not be completed by October 26, 2010. The Commission, therefore, suspended the effective date of the proposed rates for five months until March 25, 2011. The Commission subsequently scheduled a formal hearing for February 1, 2011. On November 18, 2010, Commission Staff propounded a date request to Highland to which Highland filed a response on December 8, 2010.

The Commission, sua sponte, cancelled the February 1, 2011 hearing scheduled in this matter and took the application under consideration. Upon further review, the Commission found that further information was required in order for the Commission to reach a decision upon the application. The Commission allowed the proposed rate

increase to go into effect subject to refund and Commission Staff propounded data requests to Highland.

Pursuant to KRS 278.190, absent a Commission Order to the contrary, Highland's proposed rate increase will go into effect permanently on July 8, 2011 and the Commission believes that further evidence needs to be considered before issuing an order concerning the proposed rate increase. The Commission, therefore, finds that a formal hearing shall be held to consider further evidence relating to the proposed rate increase.

Highland filed its responses to information requests on June 6, 2011 and an informal conference was scheduled for June 9, 2011. Highland has informed the Commission that its primary witness will be unavailable from June 20, 2011 until July 1, 2011, thus leaving a limited window in order to hold a formal hearing and allow the Commission sufficient time to review the record.

Pursuant to KRS 278.260, a formal hearing can only be had after a minimum of twenty days; however, pursuant to KRS 278.270, the Commission may issue an order effecting rates "upon reasonable notice." KRS 278.270. Because there are no intervenors to this case and Highland has been charging the proposed rate for several months with no formal objection from its customers, the Commission finds that less than twenty days' notice for a formal hearing provides "reasonable" notice to satisfy the requirements of KRS 278.270.

IT IS THEREFORE ORDERED that a public hearing shall begin on June 16, 2011 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky and shall continue until concluded.

By the Commission

ENTERED   
JUN 13 2011  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
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Executive Director

Case No. 2010-00227

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